

Montana Public Service Commission 1701 Prospect Avenue PO Box 202601 Helena MT 59620-2601

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PSC APPROVES RONAN TELEPHONE COMPANY'S EXPANDED LOCAL CALLING PROPOSAL

Last week the state Public Service Commission approved the proposal of Ronan Telephone Company for extended area telephone service between Ronan's telephone exchanges in Ronan and Pablo and the Missoula local calling region. Extended area service expands local calling areas so that customers' phone calls within an EAS area are local, not long-distance. However, local phone rates in an EAS area must increase to recover EAS costs.

The impact of the EAS approval will vary for each customer depending on his/her calling patterns. For some customers, the reduction in long-distance charges will offset the increase in local rates. For others, who make few long-distance calls within the expanded area, that will not be the case.

Ronan Telephone's exchanges in Ronan and Pablo will be added to the existing Missoula local calling region and calls to and from that region will be local, not long distance. The Missoula local calling region consists of Qwest's exchanges in Missoula, Darby, Frenchtown, Hamilton, Stevensville, and Victor, and Blackfoot Telephone's exchanges in Alberton, Alta, Arlee, Charlo, Clinton, Condon, Dixon, Drummond, Haugan, Noxon, Ovando, Philipsburg, Plains, Potomac, Seeley Lake, South Alberton, St. Ignatius, St. Regis, Superior, Thompson Falls, and Powell, Idaho. Ronan's residential customers will pay an extra \$10.25 per month for unlimited local calling and business customers will pay an additional \$14.25 per month. Ronan Telephone will also offer measured local service options at a lower monthly rate to customers.

Upon implementation, Qwest will increase its statewide monthly EAS surcharge by 4 cents. Blackfoot Telephone's monthly rates for unlimited local calling will increase by \$1.90 for residential customers and \$3.80 for business customers.

According to PSC Chairman Bob Rowe, "Very strong and well-informed consumer support for the proposal was key to the Commission's decision. Customers will need to examine their options carefully and choose the calling plan that makes the most sense for they way they use the phone."

PSC Vice-Chairman Tom Schneider stated that, "The Ronan Telephone Co. service area is uniquely positioned between 2 large EAS regions. It is extremely important that Ronan area customers also have reasonable and comparable access to a larger local calling area with regional

business and medical centers. Furthermore, the Confederated Salish-Kootenai reservation is served by multiple telephone companies, which tends to fragment the important cultural exchange among tribal communities. I am very pleased that Ronan area customers will now be included in the large Missoula area EAS, providing toll free calls throughout the southern portion of the Flathead Valley and into the Missoula area communities served by Blackfoot Telephone Cooperative and Qwest."

The PSC's approval is subject to these conditions:

- Ronan must file an implementation plan with the PSC within 45 days to include the schedule for full implementation, a description of how EAS options will be presented to customers for selection, and a description of the agreed upon interconnection and compensation arrangement(s).
- EAS implementation is to begin within 90 days and be completed within 180 days.
- Ronan must submit compliance tariffs reflecting the rates approved in the order within 20 days prior to implementation.
- Customers will be allowed to change their local service option without charge within 90 days after implementation of these EAS arrangements.

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